

MONEY AND GOLD AND PRICES --- A STUDY IN POLITICAL ECONOMY, BEARING ON THE HIGH COST OF LIVING IN 1912

With Some Considerations on Canadian Banking and
the Law of Supply and Demand

Article III.

By Henry B. Ashplant, London, Canada, Author of "Flim-Flam Finance" London

The following article is the 3rd of a series of 15 articles, which appeared weekly in "The Voice," Winnipeg, Man., in the winter of 1912.

The subject matter has permanent value.

"Seek ye first the righteousness of the Kingdom of God" (and all these things (to eat, to drink, and the wherewith to be clothed, etc.) shall be added unto you.) "for" "Your heavenly Father knoweth that ye have need of all these things."

The results of careful observation of what has passed before my own notice in a long and varied practical experience in the commercial world of both England and Canada, leads the writer of these lines to express the opinion, as his own conviction, that it would be very difficult indeed to frame a sentence that could cover, in adequate terms, the whole volume of advice required, to meet the situation that faces the working class in Canada to-day, better than the single sentence—

"Seek ye first (not alone, but First) the righteousness of the Kingdom of God"

Give that pursuit precedence;—let that precept guide and shape your industrial and political program, and the economic outcome is assured in advance; "all these things shall be added unto you," because it is in the very nature of economic laws that righteousness embodied in social exchanges, allied to industry, will guarantee abundant wealth to the extent of luxury in matters of food, and clothing, and drink, and shelter.

I wish to state plainly, and to emphasize the statement, that I do not reach the above conclusion as a Churchman; it is not in the spirit of a religious acceptance of a stereotyped phrase that I apply this pregnant sentence to a commercial situation. My acceptance of the spirit and terms of this advice of Jesus of Nazareth is a conclusion arrived at from an exclusively material and commercial view-point, covering, of course, the social and political view-point. The pursuit of righteousness leads inevitably to a study of economics, and discovery of truth in that field. Such a policy will pay any nation, as an investment, bigger returns in material wealth, and infinitely more desirable returns in social and political consequences, than the unrighteous policy that now directs the legislation of European and American Governments (in Canada as in England), and expresses itself in legalised lawlessness. No set of facts more clearly demonstrates the correctness of that conclusion than such facts—some of them almost startling facts—as are revealed by a study of the inner workings of stock exchange relations with the head offices of our chartered banks and trust companies; followed up by a study of the economic consequence to the working class of the payment of paper money for wages in exchange for labor time (in terms of gold), at the back of which

paper no gold, which costs labor time, is in existence. The social confusion, the industrial strife, and the political corruption which in every commercial country to-day flows from unrighteous finance practice is a startling demonstration of the economic value to any community of an embodiment in its statutory enactments of the precepts of the ancient Israelite, "Thou shalt not steal, etc." It is in the future conforming of our legal code to the dictates of the moral code, which demands righteousness, that we may expect to redeem the situation, and, not only figuratively but literally, save society from hell.

Unrighteousness (in exchange) is the one word that explains the high money cost of living in the face of lower labor time cost of bringing products to market. The thing that is needed is to present in terms that the working class can understand an analysis, and explanation, of the connection between righteousness and paper money, and gold, and price, and to unfold the method and workings of the unrighteous procedure by which the working class is robbed through transactions on the stock exchange; also the way in which the working class is robbed by being paid in paper money for the labor time it expends in the factory, and the mine, and the farm, etc. Righteousness is the desired principle to embody in practice.

How to be righteous? is the problem.

That is a matter of "ways and means" to be worked out, so that this moral principle shall be expressed in the terms of our legal code. It is the business of the Church to teach us at least the outlines of such a code. Here is where knowledge means power; and the right use of knowledge and power means wisdom in the framing of public policy in accord with Christian standards of morality. Officials of trades unions will do well to note this truth. I desire, at this point, to say that I have looked in vain to the Churches with which I have been associated for intelligent guidance on this all-important problem of the application to practical commerce of the moral principle of righteousness, and I feel quite justified in placing on record my conviction that the Churches of Christendom lack power (they are notoriously weak here) in facing our industrial problems, because they lack that knowledge which alone can give power to deal effectively with the situation.

Industrial economics is a department of science distinct from many other branches of the Tree of Knowledge, because of its direct relation to morals, and spiritual qualities, in action.

Moses was an economist of a superior type, and Jesus of Nazareth came, "not to destroy, but to fulfil the law."

The Churches of Christendom have a mission here. What is the practical attitude of the modern Church to-day on social and industrial economics? It is aptly summed up in a sentence I recently noted in a very readable book, by Prof. Peabody (Harvard), on "Jesus Christ and the Social Problem," viz.: "The talk of the Church is for the most part as unintelligible as Hebrew to the modern hand worker." Prof. Peabody, however, shows himself to be lacking in some essentials when he writes, as he does, in this same book—"The real nature of the prevailing industrial warfare . . . is not an antagonism which is inherent in economic life. In fact, it is at bottom not an economic antagonism at all"; and further

says, "It has become a threatening social question, not because the economic situation is bad, but because the people are."

These expressions by Prof. Peabody are a fair interpretation, by a competent authority, of the attitude of the Churches towards the economic application of righteousness. I desire to go on record in emphatic terms regarding that attitude. It is in my judgment (based on knowledge of the truth gained in commercial experience and accounting practice) utterly unworthy the duty and mission of the Christian Church. If we do not need less preaching, we certainly need more teaching from the Church on the economics of Righteousness. Of course, if Churchmen do not know the truth, they cannot teach it to the world; it is, however, unquestionably the business of the Churchman to search out the truth and teach its application, rather than to "sit and sing his soul away," etc., in an environment of unrighteousness.

It is not without its own special significance—that the re-action of advancing prices of commodities and increased cost of living on the domestic and social life of the clergy, is a demonstration of the law of retribution. Reaping the harvest of neglected duties.

But the righteousness of the Kingdom of God, implies a very different study of those departments of active service where righteousness is the guiding expression. It is simply ridiculous for the Church to ignore the economics of the industrial field, because there is no department of active life where the principle of righteousness has greater play and opportunity; and at no point in that field is righteousness more essential than in the department of exchange.

Here is the point of contact.

I propose to show, in the course of these essays that a careful examination of the economic standing of Canada's chartered bank note currency reveals a problem in morals and spiritual life in action.

I propose to show clearly, so that the Churchman in Canada shall not be without opportunity of learning the truth if he desires to know it, that "the real nature of the prevailing industrial warfare... is an antagonism which is inherent in economic life" vitally and very directly related to the immoral and unrighteous character of the paper money currency issued in Canada in the form of our chartered bank notes, with no gold behind them, and paid to the working class as wages in exchange for the products of their labor time.

I propose to show that Karl Marx (author of "Capital") failed to correctly analyse the capitalist methods of exchange and exploitation; and to show further, that the advice of Jesus of Nazareth to "seek first the righteousness of the Kingdom of God" embodies the most profound and invaluable economic wisdom, as a strictly commercial and political proposition. In order to "render unto Caesar the things that are Caesar's" it is essential to know what belongs to Caesar, and Jesus left it to his critics to discover in the light of his general teaching what is left for Caesar after a Christian has rendered "unto God the things that are God's."

No Churchman need hesitate to render unto Caesar every cent of tribute to which Caesar is righteously entitled; Caesar, however, is subject to that law of righteousness himself, and may not collect tribute by a process of fraud and deception. "Thou shalt not steal," is a law that even Caesar must obey.

This is where the Canadian Finance Minister must tread cautiously in framing currency laws. He must beware lest, by a policy of unrighteousness, he sow confusion and disorder in the nation by violating moral obligations and legalising fraud.

It is unfortunately true that our present currency laws in Canada are distinctly unrighteous. An examination of Canada's bank note issues in the light of moral law reveals the almost startling fact that we have firmly entrenched in this Dominion a monetary system as thoroughly dishonest and anti-Christian as any that is in vogue with any pagan nation under the sun. The high cost of living is an expression of systematised robbery, through a legalized manipulation of paper money.

(Note the war period expansion of paper currency)

Again I repeat that 95 per cent. of our chartered bank note issues function in Canada's domestic exchanges precisely as counterfeit dollars would function to raise prices.

It is not putting the case at all too strong to assert, that our chartered bank notes in Canada have got the confidence game at a country fair "beaten to a frazzle" for a fraud—by means of which the fellow who plays on the inside secures something for nothing on an immense scale, by imposing on the confiding innocence of his fellow citizens.

The secret of the high cost of living and persistently rising prices, in face of reduced labor time cost, lies in the systematised and perfected manipulation of paper money, "emergency currency" and similar substitutes for "Too Much Gold" on all the world's produce exchange. I propose to demonstrate that this nefarious business is perfected in the finance institutions of Canada to a degree not excelled for fraud and unrighteousness by any pagan nation on earth. The wage of the Canadian working class is paid largely in counterfeit money.

The result of floating one hundred million dollars of such paper substitutes for "Too Much Gold" in Canada (? ? ?) is to liberate a huge volume of gold for the stock exchange speculative purposes of private individuals, and boost prices by demand in the world markets—at Chicago, London, etc., etc., etc. To beat this skilfully played game both the trade unions and the Churches of Christendom must change their tactics in the interests of righteousness and the working class. There is work here for the Laymen's Missionary Movement to enthuse over.

"Seek first the righteousness of the Kingdom of God"—in national policy. Do it now—in Canada.

(October, 1912).

DEMAND

Continue to Demand, and

Persist in Demanding

Investigation and Information in regard to this Problem.

London, Ontario, 1917

(Mr. Ashplant claims that the paper currency of Russia, U.S.A., China, Japan and the South American States all functions to affect prices, and is in the same class as counterfeit money)

